

November 30, 1971

STATE OF SOUTH CAROLINA)
)
COUNTY OF RICHLAND) BEFORE THE PUBLIC SERVICE COMMISSION

IN RE: Petition of Bluffton Telephone and Appli-)
ance Company, for approval of an increase)
in its monthly base rates and miscellaneous) DOCKET NO. 15,744
non-recurring charges for service connec-)
tions, restoration of service and for) ORDER NO. 15,949
inside moves and changes for telephone)
service, along with new depreciation rates.)

TO: BLUFFTON TELEPHONE AND APPLIANCE COMPANY

The Bluffton Telephone and Appliance Company filed a Petition with the South Carolina Public Service Commission for approval of an increase in its monthly base rates and miscellaneous non-recurring charges for service connections, restoration of service and for inside moves and changes for telephone service. New depreciation rates were also requested. All of the foregoing is more fully shown in the Rate Study submitted with the Petition.

A public hearing was held on November 3, 1971, pursuant to notice, and all interested parties were given an opportunity to be heard at that time on the Petition filed herein. There were no personal appearances in opposition to the Petition at the hearing on November 3, 1971. However, an Assistant Attorney General participated in the cross examination of witnesses on behalf of the public.

The Petition by Bluffton Telephone and Appliance Company and the testimony offered in support thereof was to the effect that, due to increased costs for capital improvements as well as operating expenses, additional revenues were needed to provide the petitioner with a fair and reasonable return on its investment. Extensive cross examination was made as to the rate base used by the Company and income available for the rate of return. As a result of such cross examination, the testimony indicated that a portion of the cost of the 23' Formula Inboard-Outboard Boat along with operating and maintenance expenses connected thereto was attributable to personal use to the extent of at least 50 per cent.

The Company also requested new depreciation rates on the grounds that present depreciation rates were inadequate. Testimony presented in support of the depreciation schedule indicated that there had been no in depth study made to substantiate such proposed rates, and the proposed depreciation rates were selected on the basis of experience and judgement without the benefit of any other supporting data.

The effect of the adjustments mentioned below reduce the revenue requirements, and the rates as shown below will produce a rate of return of 3.79% on a year-end rate base. These rates have the effect of reducing the requested increase from \$12,174.00 to \$10,719.00.

Based upon the Petition, testimony and exhibits introduced in support thereof, the Commission is of the opinion and so finds:

1. That, in this rate proceeding, 50 per cent of the cost of the boat referred to above, as well as 50 per cent of the operating and maintenance expenses related thereto, should be eliminated for rate making purposes, and the revenue requirements should be adjusted and reduced accordingly.

2. That the revenue requirements should be adjusted to reflect the effect of using the depreciation rates as shown below rather than the proposed depreciation rates.

3. That the proposed rates and charges along with new depreciation rates are not completely justified and are therefore denied in part, and the rates and charges along with the depreciation rates as shown below are hereby approved as being fair and reasonable.

RATE SCHEDULE

Base Rate and Recurring Charges

<u>Type Service</u>	<u>Approved Rate</u>
Business 1 Party	\$ 8.75
Business 2 Party	6.25
Business Extensions	2.25
Residence 1 Party	6.70
Residence 2 Party	5.25
Residence Extensions	1.50
PBX Trunks	15.31

Non-Recurring Charges

Service Connection Charges

Business Main Station	11.50
Residence Main Station	9.50
Business Extensions	7.50
Residence Extensions	5.00

(Continued)

<u>Restoration of Service</u>	<u>Approved Rate</u>
Business - During Business Hours	\$ 4.00
Business - After Business Hours	6.00
Residence - During Business Hours	4.00
Residence - After Business Hours	6.00
<u>Inside Moves and Changes</u>	
Business	5.00
Residence	5.00

APPROVED DEPRECIATION RATES

Buildings	3.0%
Central Office Equipment	4.5%
Subscriber Carrier	6.7%
Station Apparatus	8.5%
Station Connections	10.0%
Pole Lines	5.0%
Aerial Cable	5.0%
Buried Cable	4.0%
Furniture and Office Equipment	8.0%
Vehicles	20.0%
Work Equipment	20.0%
Underground Conduit	5.0%

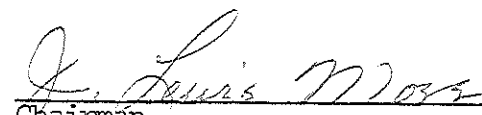
IT IS THEREFORE ORDERED:

1. That the rates and charges for local exchange service and the non-recurring charges as shown above are hereby approved to become effective on or after January 1, 1972.

2. That the depreciation rate schedule as shown above is hereby approved to become effective for the calendar year 1971.

3. That this Order shall remain in full force and effect until further Orders of the Commission.

BY ORDER OF THE COMMISSION:


Chairman

ATTEST:


Administrative Assistant